

Before the State of South Carolina
Department of Insurance

In the matter of:

Sandra B. Rochester,

216 Old Piedmont Highway
Greenville, South Columbia 29605.

SCDOI File Number 2001 – 107910

**Consent Order
Imposing Disciplinary Action
(Surrender of License)**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Sandra B. Rochester, a licensed State of South Carolina resident insurance agent.

Rochester hereby admits, and I find as fact, that, while licensed by the Department to do business as a resident insurance agent within the State of South Carolina:

1. Rochester assisted an elderly woman with a number of insurance transactions in which it appears Rochester put her best interest before that of the client's.
2. On April 23, 1997, with Rochester's guidance and assistance, the elderly client surrendered three Protective Life Insurance Company annuities with cash values of \$28,437.35, \$29,177.37, and \$54,967.02. The surrender forms were written so that the proceeds were made payable to American General Insurance Company, c/o Sandra Rochester, and deliverable to Rochester at her home address. Upon Rochester's receipt of the checks she endorsed them and made deposits into her American General Insurance Company agent's account.
3. On 8 and 9 May 1997, with Rochester's guidance and assistance, the client purchased three American General Insurance Company single premium deferred annuities in the amounts of \$28,437.35, \$29,177.37, and \$54,967.02. Rochester received commissions as a result of these transactions.
4. On May 5, 1997, Rochester purchased for herself in her own name an American General Life Insurance Company single premium immediate annuity in the amount of \$28,106.94. On the application Rochester named the client as the first beneficiary, and stated that the client was her Great Aunt. Ms. Rochester is not related to the client. Rochester named her husband as second beneficiary. Rochester used the client's funds to purchase the annuity.
5. On May 29, 1997, Rochester purchased for herself in her name an American General Life Insurance Company flexible premium annuity with an initial premium payment of \$1,700.00 and scheduled monthly premium payments of \$500.00. Over a period of time monthly payments were made totaling \$6,700.00. The client's money was used to purchase the annuity and to make the

monthly premium payments. On the application Rochester named her husband as first beneficiary. The client was listed as second beneficiary, and as Rochester's Great Aunt. Rochester is not related to the client.

6. Rochester denies any wrongdoing and contends that it was not her intent to circumvent the insurance laws of this state. As a matter of resolution, Rochester agreed to this administrative action.

These actions are in violation of S.C. Code Ann. Sections 38-43-130 (Supp. 2001) and can ultimately lead to revocation of his license to transact the business of insurance as a resident insurance agent in South Carolina following a public hearing at the Administrative Law Judge Division.


Rather than proceeding toward a formal public hearing, the parties agreed to submit the entire matter to me, along with the specific recommendation, for my summary decision based solely on the record. That recommendation was that Rochester would waive her right to a public hearing and would voluntarily surrender her license for revocation.

S.C. Code Ann. Section 38-43-130 provides, "The director or his designee may revoke or suspend an agent's license after ten days' notice or refuse to reissue a license when it appears that an agent has been convicted of a crime of moral turpitude, has violated this title or a regulation promulgated by the Department, or has wilfully deceived or dealt unjustly with the citizens of this State."

After a thorough review of the record, carefully considering the recommendation of the parties, and in accordance with my findings of fact, I now conclude, as a matter of law, that Rochester has dealt unjustly with a citizen of this State, thereby violating S.C. Code Section 38-43-130 (Supp. 2001) and that her resident insurance agent's license should be revoked.

By his signature upon this Consent Order Revoking Insurance Agent's License Rochester acknowledges that she understands this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. Sections 30-4-10, *et seq.* (1991 and Supp. 1998).

Nothing contained in this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained in this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained in this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. Section 38-3-110 (4) (Supp. 2001), of the Director of Insurance, exercised either directly or through the Department to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

 Sandra B. Rochester

It is therefore ordered that Sandra B. Rochester shall, immediately, upon my date and signature upon this Consent Order Revoking Insurance Agent's License, surrender to the State of South Carolina Department of Insurance her insurance agent's license, issued to her through the State of South Carolina Department of Insurance. The parties expressly agree and understand Rochester's voluntary surrender of her resident insurance agent's license constitutes full accord and satisfaction of this matter.

It is further ordered that a copy of this consent order shall be transmitted to the National Association of Insurance Commissioners for distribution to its member states and to each insurer for which Sandra B. Rochester is currently licensed to transact business as a resident insurance agent within the State of South Carolina.

This consent order becomes effective as of the date of my signature below.



Ernst N. Csiszar
Director

July 8, 2002 at
Columbia, South Carolina

I CONSENT:



Sandra B. Rochester
216 Old Piedmont Highway
Greenville, South Carolina 29605

Dated this 2nd day of July 2002